

Rules for Compulsory Insurance of Motor Vehicles purchased out of advance sanctioned by Government.

READ—

Government Order No. FL. 2845-2994—G.F. 71-53-2, dated 2nd July 1953, directing the continuance of the maximum limits of advance in the case of motor cars and motor bicycles, as also the recovery of the advance so granted at 1/9th of the pay.

2. Letter No. 252—O.C.A.—D.H.I., dated 5th January 1953 from the Accountant General, suggesting the desirability of (1) of reducing the period of recovery suitably, or in the alternative, taking collateral security along with the mortgaging of the car to Government, and (2) of framing rules providing for the compulsory insurance of motor cars purchased, against loss by fire, theft or accident.

3. Unofficial Note No. M.B. 2295, dated 25th July 1953 from the Secretary, Mysore Government Insurance Department, furnishing his remarks in the matter.

ORDER No. FL. 5766-5916—G.F. 161-53-2, DATED BANGALORE,
THE 8TH DECEMBER 1953.

After considering all aspects of the question, it is directed that the rules relating to grant of advance to Government servants for the purchase of motor cars and motor bicycles be modified as under:—

(1) No collateral security of another Government servant is necessary as the motor car or the motor bicycle and the insurance amounts of the borrowers form the security to the advance in case the borrower has insured his life in the Official or Public Branch of the Mysore Government Insurance Department.

(2) The advance be recovered by deduction in monthly instalments of a sum equal to 1/6th part of the pay (as against 1/9th as hitherto) from the salary bill of the Government servant concerned.

(3) The vehicle so purchased must be insured in the Mysore Government Insurance Department against loss by fire, theft or accident, in accordance with the procedure laid down below:—

(a) Where the vehicle is not more than 10 years' old, it should be covered by a comprehensive risk policy.

(b) In case the vehicle is not eligible for comprehensive risk cover on account of its age, it should be insured against fire and theft in addition to third party insurance.

(c) Insurance policies at a reduced rate of premium may, however, be accepted as adequate in the case of motor cars or bicycles where—

(i) the owner of the vehicle undertakes to meet the first Rs. 50 of a claim preferred against the Insurance Department in the event of an accident or,

(ii) where the vehicle is not insured against accident for any season of the year during which it is not in use but is stored in a garage.

(d) Such insurance should be effected within one month from the date of purchase of the conveyance, and the fact intimated to the Accountant General who will obtain from the Government servant drawing the advance a letter (*in the form hereinafter prescribed*) addressed to the Insurance Department with which the vehicle is insured to notify the fact that Government is interested in the insurance policy secured. He will then forward the letter to the Department and obtain its acknowledgment. In the case of insurance effected on annual basis, the process should be repeated every year until the advance is fully repaid to Government.

(e) Contravention of these rules will render the Government servant liable to refund the whole of advance drawn with interest accrued thereon unless satisfactory reason is shown to the contrary. The amount for which the conveyance is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount so due is completely repaid. If at any time and for any reason, the amount insured under a current policy is less

than the outstanding balance of the advance, including interest already accrued, the Government servant should refund the difference to Government. The amount to be refunded must be recovered in not more than three monthly instalments.

The foregoing rules will apply to cases of advances sanctioned hereafter.

Necessary amendment to Mysore Financial Code, Volume I, will issue separately.

N. MADHAVA RAO,
*Secretary to Government,
Finance Department.*

ANNEXURE

**Form of letter intimating the Secretary, Mysore Government Insurance Department,
Government's Interest in Insurance Policies of Motor Cars, etc.**

FROM

To

*The Secretary,
Mysore Government Insurance Department,
Bangalore.*

(Through the Accountant General)

DEAR SIR,

I beg to inform you that the Rajpramukh, His Highness the Maharaja of Mysore, is interested in the Motor Car/Motor Cycle Insurance Policy No..... secured in your Department and to request that you will kindly make a note of the fact in the records of the Department.

Yours faithfully,

Place.....

Date.....

Forwarded. The receipt of the letter may kindly be acknowledged. It is also requested that the undersigned may kindly be informed whenever any claim is paid under the policy and also if the premium is paid periodically for renewal.

Place.....

Date.....

.....
Signature.

.....
Designation.